

DECISION MEMO

Longstreet Exploration Project
2014 Supplement to Plan of Operations #04-10-02
Star Gold Corporation
Tonopah Ranger District, Humboldt-Toiyabe National Forest
Nye County, Nevada

BACKGROUND

Star Gold Corp. submitted a Supplement (dated December 16, 2013) to approved Plan of Operations #04-10-02 (approved August 3, 2011), proposing to drill at an additional 16 drill sites within the boundaries of the Longstreet Exploration Project. The 2014 Plan Supplement proposes exploration drilling from up to 15 drill sites within the "Main" target area, and one additional drill site at the "North" target area; all new proposed drill sites are to be located on existing roads. In addition, Star Gold requested that they be permitted to drill at the six drill sites in the Cyprus Ridge target area, to be accessed by helicopter, approved in Plan of Operations #04-10-02 but which have not been drilled to date. Access to all new proposed drill sites—and the six Cyprus Ridge drill sites—would be by existing roads, overland travel, and by helicopter; no new roads would be constructed.

This locatable minerals project complies with U.S. mining law entitlement for operator access under 36 CFR 294.12(a)(3).

LOCATION

The proposed project lies approximately 30 miles northeast of Tonopah, Nevada in Sections 9, 10, 15, 16, 17, 20 and 21, of T6N, R47E of the Monitor Range, Mount Diablo Base and Meridian, Nye County, Nevada. The project is located entirely on National Forest System lands and with the exception of FS Road 44405, nearly all of it is located within the Georges Canyon Inventoried Roadless Area (IRA). The project area including the subject roadless area is open to entry under the mining laws.

PROPOSED ACTION

Under this Plan Supplement, the proponent is proposing to drill from 16 drill sites in two separate target areas, and may drill at some or all of the six drill sites previously approved in a third target area, under Plan of Operations #04-10-02. Drilling in all three areas will require the construction of a small sump (approx. 2 x 6 x 3-ft deep) to catch drill cuttings and ground water at each drill site. In two of the three target areas (the Main and North target areas), the sumps will be dug by backhoe; in the third area (the Cyprus Ridge target area), consisting of six proposed drill sites accessed by helicopter, the sumps will be dug by hand and drill pads here will lie along an existing road remnant. Drilling at the Cyprus Ridge area will be done

with a portable mobile drill rig flown in and out by helicopter, along with all other equipment. Drill pads at the other two target areas will be on existing roads or adjacent flat areas with little to no pad construction occurring. All 16 new proposed drill sites occur within the Georges Canyon IRA, with 15 of the 16 occurring in the "Main" target area along existing roads beyond the end of cherry-stemmed FS Road 44405; the 16th new proposed drill site is in the "North" target area, which will be accessed via overland travel from the end of an existing road off of FS Road 44405.

Drilling at the Main and North targets will be by a track or skidder-mounted reverse circulation drill rig, while drilling of the six holes planned at the Cyprus Ridge target will be by a mobile core rig with the core rig flown out by the helicopter. Water for drilling at the Main and North targets will be supplied by a 2,000 gal. water truck; water for the Cyprus Ridge drilling will be supplied by a PVC pipeline laid by hand along the existing road remnant from the end of existing exploration roads at the Main target area. Water will be pumped through this line by a diesel-powered pump. In addition to the water truck and drill rigs, project drilling will be supported by a pipe truck, pickup trucks, an ATV, and a backhoe to construct and reclaim sumps. Metal and/or plastic water tanks will be used for water storage at the Cyprus Ridge sites if they are drilled. Total surface disturbance for the 16 new proposed drill sites and sumps on the existing roads is 0.15 acres, but only a minor part of this would be considered new disturbance. If the six drill sites to be drilled by helicopter access are drilled under this Supplement, an additional disturbance totaling 0.02 acres would occur, for a grand total of approximately 0.17 acres of disturbance.

Environmental protection measures outlined in section IV of approved Plan of Operations #04-10-02 include the following actions that the operator would be responsible for under the 2014 Plan of Operations Supplement:

- Sumps will be required at each drill site to contain drill effluent and drill cuttings.
- Upon project conclusion, all drill holes will be plugged per State of Nevada regulations, and all sumps will be backfilled to native ground. In addition, all drill sites, sumps, and temporary roads will be fully recontoured to approximate the original shape of the ground prior to construction; these areas will then be seeded with a Forest Service approved weed-free native seed mixture at the optimum time for seeding success (usually late Fall). Overland travel routes will be scarified if compaction has occurred and then reseeded and raked by hand. Seeding will be monitored for success for a minimum of three years until attainment of revegetation standards as per the Memorandum of Understanding for Mining and Mineral Related Activities within the State of Nevada among the U.S. Forest Service, Nevada Division of Environmental Protection, and the Bureau of Land Management.

The complete Plan of Operations and Plan Supplement is included in the Project record and incorporated by reference.

DECISION

I have decided to approve the Longstreet Project, 2014 Plan Supplement to Plan of Operations #04-10-02, with additional mitigation and monitoring. The complete list of additional

required mitigation measures is included in the project record, and will be incorporated into the POO (Section VI[A]-required changes/modifications/special mitigation). These include measures specific to 1) Bond Update Criteria, Bond Release Criteria, Cessation of Operations and Removal of Structures and Equipment, Departure from the Approved Plan of Operation, Other Mitigation; Fire Prevention and Control: Noxious Weed/Undesirable Plant Control; Road Use and Maintenance.

Key environmental elements of proponent responsibility include the following:

- Help prevent the spread and introduction of noxious weeds into and within the project area by requiring proponent to wash all vehicles and equipment used on the project site immediately before accessing project site, and to wash all vehicles each time said equipment/vehicles go off-site to another project area before accessing project site again.
- Only one drill hole will be open at any one time during operations. The hole must be properly abandoned before the drill rig leaves the hole.
- Reclamation and seeding of drill pads, sumps, and other areas of disturbance will occur immediately upon conclusion of all work on the project. Unsuccessful revegetation will be reseeded as needed.
- All operations will be completed within one year from the commencement of ground disturbance.
- In order to avoid possible disturbance to greater sage-grouse that may be nesting in the project area, the operator will avoid disturbance to sagebrush and riparian resources as much as possible, and that project-related traffic would avoid the use of the Windy Canyon road between 3:00 and 8:00 a.m. from the last week in March through the first week in May.
- Sumps will be constructed with ramps to provide for the egress of wildlife.
- To prevent erosion, all bladed roads will contain waterbars as needed.
- To maintain air quality, dust from road use will be minimized to the extent possible by using BMPs such as minimizing vehicular traffic and using prudent vehicle speeds to minimize dust production created by travel between drill sites and during drilling activities.
- In order to control erosion from roads and drill sites, sediment control structures will include: fabric and/or certified weed-free straw bale filter fences, siltation or filter berms, mud sumps, and down-gradient drainage channels.
- Concurrent reclamation of roads and drill sites will be done to the extent possible during operations and drill sites will be managed to keep worksites safe and clean.

Additional Forest Service responsibilities are also listed below:

- The Forest Service will provide Nevada Department of Wildlife (NDOW) an opportunity to review and provide suggestions on the final reclamation seed mixes and application rates.
- The Forest Service will evaluate seeding success (per standards identified in FS/BLM/NDEP Guidelines for Successful Revegetation MOU) within three growing seasons of reclamation. Final bond release will occur if seeding is successful.

As with all minerals projects, a certified minerals administrator would oversee field implementation and reclamation of the project to ensure compliance with an approved Plan of Operations.

I have determined that this action may be categorically excluded from further analysis and documentation in an environmental impact statement (EIS) or environmental assessment (EA) for the following reasons:

The proposed action with additional mitigation fits 36 CFR 220.6[e][8]:"short-term (one year or less) mineral, energy, or geophysical investigations and their incidental support activities that may require cross-country travel by vehicles and equipment, construction of less than one mile of low standard road (Service level D, FSH 7709.56), or use and minor repair of existing roads."

Pursuant to 36 CFR 220.6[b], no extraordinary circumstances exist based upon a review of the following resource conditions:

• Federally listed threatened or endangered species or designated critical habitat, species proposed for listing or proposed critical habitat, or Forest Service sensitive species.

Listed and proposed Species - There are no federally threatened or endangered species or critical habitat within the project area. In addition, there are no species proposed for listing or proposed critical habitat within the project area. Consultation with the USFWS was not warranted for this project. (Biological Evaluation (BE), Longstreet Exploration Project, June 1, 2011.)

Forest Service Sensitive Species – No species listed on the USFS Regional Forester's R4 sensitive species list (Nov. 1995, Addendum 2003) were identified in the project area during the botanical and wildlife field inventories conducted on June 22-25, and on August 3-7, 2010, respectively, for Longstreet Plan of Operations #04-10-02. Although suitable habitat exists within the project area for a number of sensitive wildlife species (greater sagegrouse, spotted and Townsend's big-eared bat), and for several sensitive plant species (Scorpion milkvetch, Toquima milkvetch, upswept moonwort, Toiyabe buckwheat, and Rollins clover), the wildlife and botanical surveys did not detect the presence of any of the above sensitive species.

Regarding sage-grouse, although no sage-grouse or their sign were detected in the wildlife survey of the project area, data from NDOW indicates that there is an active sage-grouse lek within one mile of the Windy Canyon access road. Since the project area has potential nesting habitat for sage-grouse, in order to avoid impacts to sage-grouse, the BE recommended that the operator should avoid disturbance to sagebrush habitat and riparian resources as much as possible, and if unavoidable, the operator would implement corrective

measures. Furthermore, the BE recommended that project-related traffic would avoid the use of the Windy Canyon road between 3:00 and 8:00 a.m. from the last week in March through the first week in May.

Regarding spotted bats and Townsend's big-eared bats, although the biological survey did not detect the presence of these species, the BE stated that since there is suitable foraging habitat within the project area for these species, that the project may impact individuals but it would not likely contribute to a trend towards federal listing or cause a loss of viability to the population or species of either of these two species.

Upon receipt of Star Gold's 2014 Longstreet Plan Supplement, the acting Forest botanist, and the acting Tonopah Ranger District wildlife biologist, were asked to review the plant and wildlife surveys and BEs from the 2011 Longstreet Plan of Operations #04-10-02, for current adequacy for the 2014 Plan Supplement. Both specialists reviewed the 2011 Plan surveys and Bes and determined that the original BEs were still appropriate and applicable to the 2014 Plan Supplement, and that no additional surveys would be required (email from J. Rozich, March 19, 2014; email from D.Netz, April 14, 2014).

- **Floodplains, wetlands or municipal watersheds** No project activities are proposed in floodplains or wetlands. No impacts to wetlands or municipal watersheds will occur due to project activities.
- Wilderness, wilderness study areas, or national recreation areas The project does not lie within any Wilderness, wilderness study areas, or national recreation areas.
- Inventoried Roadless Areas Most of the project lies within the Georges Canyon Inventoried Roadless Area (IRA), with all proposed drill sites occurring within the IRA. Effects to the IRA and wilderness potential values (Wilderness Qualities & Attributes and Roadless Area Characteristics Worksheets, 06/07/11) are protected by minimizing the amount of surface disturbance to only that which is necessary for safe and efficient operations. No new roads will be constructed and up to 3,000-ft of overland travel would occur. In addition, one of the three target areas will be drilled by use of a helicopter flying in all equipment to be used in drilling that area. All drill sites, sumps, and other disturbance will be fully reclaimed upon project completion.

Overall the long-term impacts to the IRA from this project and from reasonably foreseeable future projects would be minimal. This project complies with all Forest Service directives and waivers regarding IRA protection. Approval to make a NEPA-based decision and implement the Longstreet Mineral Exploration project Plan of Operations #04-10-02 was received from the Regional Forester on 3/01/2011.

• Research Natural Areas - No Research Natural Area is present within or adjacent to the project.

- American Indian Religious or Cultural Sites No American Indian religious or cultural sites have been identified within or adjacent to the project.
- Archeological sites or historic properties -The project would have no adverse effect upon archeological sites, or historic properties or areas. SHPO concurred on March 10, 2011 that Plan of Operations #04-10-2 would have no impacts to cultural resources. In addition, SHPO concurred on August 26, 2014 that the 16 proposed drill sites in the 2014 Plan Supplement would have no impacts to cultural resources, based on a cultural resource survey/inventory of the 16 proposed drill sites conducted by a Forest Service District archaeologist on July 2, 2014.

PUBLIC INVOLVEMENT

The Longstreet mineral exploration project 2014 Plan Supplement was listed in the Schedule of Proposed Actions beginning on April 1, 2014 through the present. A scoping document soliciting comments on the proposed action was provided to interested parties, governmental agencies, and local governments in March 2014. Comments were received from the Nevada Department of Wildlife, the Division of State Lands, the Division of Water Resources, and the Nevada State Historic preservation Office (SHPO).

In their comments letter of May 7, 2014, the Nevada Department of Wildlife (NDOW) stated that in their previous comment letter dated October 21, 2011, that they noted that a sage-grouse lek occurs within close proximity of the Windy Canyon access road. In that 2011 recommendation letter, NDOW recommended that project related traffic should avoid using the Windy Canyon road from 3 a.m. to 8 a.m. beginning the last week in March through the first week in May; NDOW requested that this timing condition be incorporated into the 2014 Longstreet Plan Supplement project as well.

In addition, NDOW recommended that all sumps be fenced to prevent wildlife access and possibility of contaminated water consumption. NDOW also recommended that sumps be netted to prevent birds and small mammals from becoming stuck in residual chemicals and that no sump be left open for more than one month after completion of drilling operations. Concerning sump reclamation, NDOW stated that soil should periodically be added to absorb the fluids so that sumps would not overflow; that an additional pit should be dug to drain of excess fluids and mixed with soil; that any remaining fluids should be pumped out and disposed of; and that only USFS approved flocculants should be used.

Regarding the recommendations for sumps in NDOW's letter of May 7, 2014, based on past exploration activities at Longstreet, very little if any water has been encountered while drilling in the project area, and unlike drilling conducted for petroleum, the water for drilling at Longstreet is not contaminated and does not contain "residual chemicals", so that any water produced or encountered while drilling at Longstreet should not pose a threat to wildlife and it is unlikely that any birds or other wildlife could become "stuck" in the sumps. All sumps will be constructed with shallow exit ramps in the event that any wildlife should enter the sumps, can eascape. Concerning the recommendation to not leave sumps open longer than a month, due to the fractured nature of the bedrock in the Longstreet project area and that all drilling

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will be above the water table, sumps are likely to drain or evaporate within a month (depending on the season) on their own, however, the operator will fill in sumps prior to any seasonal shutdown and as soon as practical after all drilling is completed on the project. Concerning NDOW's recommendation to add soil to sumps so that they would not overflow, note that soil is is very limited at Longstreet and adding any soil to a sump would increase, not decrease the possibility of overflowing due to the increase in volume and potential plugging of cracks in the bedrock. NDOW also recommended digging another pit adjacent to the sumps to drain off excess fluids. Again, based on previous drilling at Longstreet, very little if any water is likely to be encountered while drilling; if excessive groundwater is encountered and cannot be controlled by best management practices, drilling at that site would stop and the hole would be plugged. Regarding the NDOW recommendation to pump out remaining fluids from sumps, again it is expected that drilling fluids will drain or evaporate from the sumps within approximately a month, depending on the season. Lastly, regarding the use of only "USFS approved flocculants", note that mineral exploration boreholes are generally drilled with only minor amounts or no bentonite so there is no need to use flocculants to settle it out of the fluid. In addition, ingestion of bentonite (montmorillonite clay) is not harmful to wildlife, or humans (it is contained in most candy bars).

In their comments, the Nevada Division of State Lands, requested that the cumulative visual impacts from development activities be considered in this project's approval. In particular, they recommended that appropriate lighting, building colors, site placemen, and use of existing roads and utility corridors should be utilized wherever possible. Regarding the concerns of the Division of State Lands, no structures will be constructed during the operation of this project, and any lighting used will be temporary only. All roads constructed for project activities will be temporary in nature and will be reclaimed upon project conclusion.

The Nevada Division of Water Resources noted in their comments that all waters of the State belong to the public and may be approved for use pursuant to the provisions of Chapters 553 and 534 of the Nevada Revised Statues (NRS). No use of surface or groundwater is to occur unless a permit is issued for such, and any monitor wells, or boreholes to be drilled are the responsibility of the entity allowing the drilling to occur and must be plugged and abandoned as required in Chapter 534 of the Nevada Administrative Code. If artesian water is encountered, it must be controlled as required in NRS 534.060(3). Star Gold has advised that water to be used in the Longstreet project area will be obtained from a private source, and that all wells will be plugged and abandoned in accordance with the appropriate Nevada State statutes.

In their letter of August 26, 2014, SHPO concurred with the Forest Service's determination that the proposed undertaking will pose no adverse effect to any identified historic properties in the project area. SHPO acknowledged receipt of documentation that consultation with the affected Native American tribal representatives had been concluded per 36 CFR 800.3.f.2, and that this consultation did not result in the identification of any properties of religious and/or cultural significance that could be affected by the undertaking.

TRIBAL INVOLVEMENT

The Scoping document was provided to local American Indian Tribes in March 2014, and the Yomba tribe was also personally contacted with an offer to consult on May 9, 2014. No comments were received from the tribes contacted.

FINDINGS REQUIRED BY OTHER LAWS

This decision is consistent with the Toiyabe National Forest Land and Resource Management Plan (1986), as required by the National Forest Management Act. Applicable Plan standards, including those identified for "Minerals" (IV-57-58), "Riparian Areas" (IV-42-47), and "Soil and water" (IV-40), were incorporated by the proponent or added by the Forest Service as mitigation. In addition, my decision complies with other laws, regulation, and policy, including the following:

- The Mining Act of May 10, 1872, as amended, 30 U.S.C. 21-54 (1994): confers a statutory right to enter upon the public lands to search for minerals.
- 37 CFR 228 Subpart A-Locatable Minerals
- Endangered Species Act
- Migratory Bird Treaty Act
- Clean Water Act, as amended
 - Executive Order 11988 Floodplain Management
- FSM 2600 Wildlife, Fisheries, and Sensitive Plant Habitat Management; FSH 2609.13 Wildlife and Fisheries Program Management Handbook
- National Historic Preservation Act and 36 CFR part 800-The Section 106 Process
- Humboldt-Toiyabe FSM Supplement to Chapter 2080-Noxious Weeds Management
- FSM 7711-Transportation Analysis

IMPLEMENTATION DATE

Implementation of this decision by the proponent may begin immediately, pending approval of the final plan of operations (36 CFR 228.5). No additional reclamation bonding will be required for this Plan Supplement due to the Forest Service still holding the full amount of the initial 2011 Plan of Operations bond. Star Gold has reclaimed all previous exploration project drill pads and sumps so that the original bond on the 2011 Plan of Operations is adequate bonding for the proposed 16 drill sites in the 2014 Plan Supplement.

ADMINISTRATIVE REVIEW (APPEAL) OPPORTUNITIES

This decision is not subject to appeal pursuant to Agricultural Act of 2014 Public Law No. 113-79, Section 8006. On January 17, 2014, the President signed into law the Consolidated Appropriations Act of 2014 (Pub. L. No. 113-76). Section 431 of that Act directs that the 1992 and 2012 legislation establishing the 36 CFR 215 (post-decisional appeals) and 36 CFR 218 (pre-decisional objections) processes "shall not apply to any project or activity implementing a land or resources management plan...that is categorically excluded...under

the National Environmental Policy Act [NEPA]." On February 7, 2014, the President signed into law the Agricultural Act of 2014 (Farm Bill) (Pub. L. No. 113-79). Section 8006 of the 2014 Farm Bill repealed the Appeals Reform Act (ARA) (Pub. L. No. 102-381). The ARA's implementing regulation was 36 CFR 215. As a result of these two statutes, the Forest Service will no longer offer notice, comment and appeal opportunities pursuant to 36 CFR 215 for categorically excluded projects.

RESPONSIBLE OFFICIAL

The responsible official for this project is Steven Williams, Austin/Tonopah District Ranger, Humboldt-Toiyabe National Forest, P.O. Box 3940, Tonopah, Nevada, 89049.

PROJECT CONTACT

This Decision Memo and its associated project file may be reviewed at the Tonopah Ranger District office in Tonopah, Nevada. For further information, contact Jim Rigby, Tonopah Ranger District, P.O. Box 3940, Tonopah, Nevada, 89049, or at 775-482-7887.

STEVEN WILLIAMS

District Ranger

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